

Vitamins, nutritional aids, and food supplements qualify for the low 1% tax rate. 86 Ill. Adm. Code 130.310(a) and (c)(1). (This is a GIL.)

January 30, 2001

Dear Xxxxx:

This letter is in response to your letter dated November 28, 2000. The nature of your email and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We would like you to investigate the sales tax charge on vitamins at the BUSINESS.

We bought (Bilberry) at BUSINESS and noticed the sales tax charge was @ 7.25%. I returned this item and asked the clerk is this the correct sales tax charge, they insisted it was.

Then we went to 5 other stores in CITY, Ill.; bought the same item. We We charged at all these stores 1%.

According to the Illinois Dept. of Revenue the 1% is the correct sales tax charge.

Why is BUSINESS charging 7.25%. Please investigate and let us know.

Also all the stores except BUSINESS show each sales tax charge separately so the consumer knows what they are being charged.

Who knows how long we have been overpaying sales tax on vitamins?

Thank you for your time. Please let us hear from you soon.

With respect to medicines and drugs, 86 Ill. Adm. Code 120.310(c)(1) provides: "a medicine or drug is any pill, powder, potion, salve, or other preparation intended by the manufacturer for human use and which purports on the label to have medicinal qualities." Items meeting these criteria are taxed at the low 1% rate. Similarly, food for human consumption which is to be consumed off the premises where it is sold qualifies for the low 1% rate. Food is deemed to be any solid, liquid, powder or item intended by the seller primarily for human internal consumption, whether simple, compound or mixed, including foods such as condiments, spices, seasonings, vitamins, bottled water and ice. See,

86 Ill. Adm. Code 130.310(b)(1). Generally, vitamins and nutritional supplements are deemed to be one of the above and consequently the low 1% tax rate applies.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Shane McCreery

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